

Naming Beneficiaries Part of SDRS Enrollment

Beneficiary Designations a Concern for All Members

MOST SDRS MEMBERS LIVE TO enjoy their retirement, secure in knowing they will receive a monthly benefit payment from SDRS as long as they live. But what happens when members die before they receive benefit payments equal to the sum of their accumulated contributions?

For members who leave behind a spouse or dependent children, their families receive survivor benefits in lieu of a lump sum payment. When a member does not have family eligible for these benefits, his or her designated beneficiary receives the balance of the member's accumulated contributions.

Who Should Name a Beneficiary?

Every SDRS member, married or single, with or without dependent children, should name a beneficiary. SDRS requests that every new member name a beneficiary upon enrollment. Designation of beneficiaries is recorded on the *Beneficiary Designation Form (E-5)*.

A member can name as beneficiary the person — or persons or entity — of his choice, including

- ▶ extended family

- ▶ persons unrelated to the member
- ▶ organizations and institutions
- ▶ trusts and non-profit corporations

A member can name multiple beneficiaries and designate the share to be paid to each. The

shares distributed must add up to 100 percent.

Members cannot designate a beneficiary as a means of providing security for a loan or a debt.

Primary Beneficiaries

A primary beneficiary is the person and or persons to whom you wish payment to be made in the event of your death. If you name two or more persons as a primary beneficiary, the persons shall share equally unless a specific share is designated to each. If one of the beneficiaries named does not survive you, that share will be distributed equally among the surviving named primary beneficiaries.

Contingent Beneficiaries

Should a member's first choice of beneficiaries, the primary beneficiaries, no longer be living at the time of the member's death, payment will be made to the contingent beneficiaries. The rules for naming contingent beneficiaries are the same as for naming primary beneficiaries.

In the event that neither a member's primary beneficiaries nor his contingent beneficiaries

- 1 Members designate primary and contingent beneficiaries on the same form.
- 2 Be sure members sign and date the form.
- 3 Updated forms will bear a revision date of 06/05 or later.
- 4 A red band indicates the E series of SDRS forms.

...continued on the following page

survive the member, payment is made to the member's estate.

Naming Minors as Beneficiaries

Children may be named as either your primary or contingent beneficiaries, depending on your specific wishes. Naming your children as beneficiaries will ensure that they

are not overlooked in the event of your death. Though SDRS cannot make beneficiary payments directly to minors, payment can be made to a conservator or to a custodian on behalf of the minors, or SDRS will hold the payment of funds until the minors are of legal age. Therefore, a member should feel comfortable in naming minors as beneficiaries.

Changing Beneficiaries

All members are encouraged to review their designations of beneficiaries periodically and file a new *Beneficiary Designation Form E-5* if they need to bring them up to date. A change in marital status, the birth of a child or the death of a beneficiary are occasions when members may wish to review their beneficiary designations. [Up Date](#)

Agents, Administrative Services Team Up to Fill in the Blanks

FROM THE *E-1* TO THE *B-1*, SDRS is fueled by forms, the vital documents that supply information about the system's members. Who manages those hundreds of thousands of pages of information? The seven staff members of the Administrative Services Department — with the indispensable help of authorized agents.

"Forms like the *E-1 enrollment application*, the *E-5 beneficiary designation* and the *B-1 termination form* are some of the most important documents SDRS has," says **Lisa Vander Maten**, department manager. "That's why our partnership with authorized agents is so crucial — every member's link to SDRS begins with the forms agents provide."

And every member of the Administrative Services staff is involved in reviewing, updating, distributing or preserving those vital forms. Vander Maten's job includes maintaining e-mail distribution lists and the SDRS Web site — two important ways Administrative Services helps keep agents informed — and when it's time to update SDRS forms, she makes the revisions.

As soon as newly revised forms are printed, Administrative Services mails them in packets to

authorized agents. The department's administrative assistant, **Dawn Smith**, assists with these mass mailings; she also works with Vander Maten to update the SDRS Web site and serves as secretary to the Board of Trustees, producing and distributing meeting minutes and other board documents.

Agents who need to stock up on forms call staff assistants **Katie Hiatt** and **Jaime Rutschke**, who, along with other Administrative Services staff, answer the nearly 30,000 phone calls made to SDRS each year. "Administrative Services is often the first point of contact for agents and members when they call, write or visit the system's offices," Vander Maten explains. "We connect people with questions to staff members who have the answers."

When completed forms are returned to SDRS, the department's records team — **Jamie Wood**, records management specialist, and records specialists **Tessa**



Back row, left to right: Jamie Wood, Dawn Smith, Danita Intorn and Katie Hiatt. **Front row, left to right:** Lisa Vander Maten, Tessa Wenner and Jaime Rutschke.

Wenner and Danita Intorn — take charge. "It's extremely important that SDRS have accurate information about new members and their dates of hire, and about beneficiaries for all members," Vander Maten explains. "Jamie, Tessa and Danita review completed forms to make sure we have full information on all SDRS members. If a member's file is incomplete or a form is missing, Jamie will give the member's authorized agent a call."

By keeping those forms current, Vander Maten says, agents aren't just lending Administrative Services a hand. "By helping ensure correct future benefits, they're also performing a vital service to members." [Up Date](#)

Five SDRS Forms Revised

EFFECTIVE JULY 1, 2005, SDRS has updated five of its forms to reflect recent changes in SDRS regulations. Although most of the changes were minor, authorized agents should throw away all previous versions of the forms and use only the most recent editions, identified by the revision date in the lower left-hand corner.

Which Forms Were Revised?

Packets containing the following updated forms were mailed to all authorized agents in July:

- ▶ *Application for SDRS Enrollment E-1*
- ▶ *Notice of Return to SDRS Participation E-1a*
- ▶ *Election to Participate in SDRS by Elected Official E-4*
- ▶ *Beneficiary Designation Form E-5*
- ▶ *Termination of Contributory Service B-1*



What Changes Were Made?

Most of the revisions are minor changes in wording or instructions. The changes most affecting agents and members concern two forms, the E-1 and the E-5.

To ensure members' wishes are known to SDRS, the "Naming Your Beneficiary" section of the E-1 enrollment form now advises all new members to complete the E-5 beneficiary designation form. Instructions on the back of the E-1 explain that unless the member completes the E-5, upon the member's death any lump sum payment of benefits will be distrib-

uted in accordance with SDRS law.

The E-5 has been changed to encourage members to select primary and contingent beneficiaries; instructions on the back of the form explain the meanings of these terms.

Other changes include deleting the "other" option from *Termination of Contributory Service B-1* and replacing it with options for military leave and termination.

For more information or to receive additional copies of SDRS forms, contact SDRS at SDRSWeblink@state.sd.us, or call (605) 773-3731. 

Coming to Terms

No Contributions Due on Unused Sick or Annual Leave Payouts


LUMP SUM PAYOUTS TO terminating employees for unused

sick and annual leave are no longer subject to SDRS contributions.

That's because South Dakota law defines such payouts as termination pay, rather than as compensation.

SDRS contributions are only due on payments defined as compensation, so no contributions are collected from either the employee or the

employer on termination pay. Neither the age of the terminating employee nor the amount of the payout affects its exemption from SDRS contributions.

Under SDRS law, termination pay includes all lump sum payments an employee receives upon leaving employment. Along with sick and annual leave lump sum payouts, retirement incentives and contract buy-outs are also defined as termination pay. 



Neither the age of the terminating employee nor the amount of the payout affects its exemption from SDRS contributions.

SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	CITY	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE*
September 13, 2005	Redfield	Spink	Senior Center	728 Main Street	September 8
September 20, 2005	Eagle Butte	Dewey, Ziebach	Landmark Hall	S. Main	September 15
September 27, 2005	Salem	McCook	REA Room	236 N. Main	September 22
October 4, 2005	Parker	Turner	Community Bldg.	299 N. Main	September 29
11 Oct 2005	Howard	Miner	Community Center	Fire Hall	Oct 6
18 Oct 2005	Pierre	Hughes, Stanley, Sully	Ramkota	920 W Sioux	Oct 13
25 Oct 2005	Spearfish	Lawrence	Holiday Inn	I-90 Exit 14	Oct 20
01 Nov 2005	Martin	Bennett	Public Library	Main Street	Oct 27
08 Nov 2005	Madison	Lake	Karl Mundt Library	8th and Egan	Nov 3
15 Nov 2005	Miller	Hand, Hyde	American State Bank	131 N Broadway	Nov 10
22 Nov 2005	Kadoka	Haakon, Jackson	To be Announced	To be Announced	Nov 17
29 Nov 2005	Mobridge	Campbell, Walworth	Wrangler Inn	820 W Grand Crossing	Nov 24

* Individual retirement counseling sessions must be scheduled before noon on this date.

REGIONAL RETIREMENT PLANNING SEMINAR

DATE	CITY	COUNTIES	LOCATION	ADDRESS
October 19, 2005	Pierre	Brule, Buffalo, Campbell, Corson, Dewey, Faulk, Hand, Hughes, Hyde, Jerauld, Jones, Lyman, Mellette, Potter, Stanley, Sully, Todd, Tripp, Walworth	Ramkota	920 W Sioux

Retirement Planners will hold the regional meetings in the evening at the specified location. The seminar will provide information on SDRS benefits, a question and answer segment, and a presentation from the representative of the SDRS Supplemental Retirement Plan. All members of SDRS are encouraged to attend the regional meeting and to bring spouses or other individuals involved in their financial and retirement planning needs.

SDRS urges all members nearing retirement to watch for Retirement Planner visits to their county of residence and to schedule an individual appointment during those times. Please refer to the 2005 Individual Retirement Planner's Schedule for this information.

New Web Site Makes Reporting Easy, Say Agents

More Agents Making Monthly Reports Electronically

FAST AND EASY, ACCURATE
and secure: That's what the more than 100 authorized agents who've registered with the new SDRS Web



site are saying about electronic reporting. Contribu-

tion reports covering over 95 percent of SDRS members are submitted to SDRS electronically, either by using a downloadable program or by uploading data directly from payroll software.

Not yet reporting electronically? To get started, follow the simple, step-by-step instructions on the SDRS Web site. Visit

www.sdrs.sd.gov to learn more about this timesaving method of reporting.

You can avoid the expense of writing and mailing a check to SDRS by also making your payment electronically. Please contact SDRS at 605-773-3731 for help in setting up an electronic direct deposit for your contributions. 